



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 7/22/2025

REQUESTER: Anthony Purinton, Assistant City Attorney

PRESENTER: Anthony Purinton, Assistant City Attorney

ITEM TITLE: CONSIDERATION OF ADOPTION, APPROVAL, ACCEPTANCE, AWARDED, AMENDMENT, REJECTION, AND/OR POSTPONEMENT OF CONTRACT K-2526-26: AN INTERLOCAL AGREEMENT FOR PURCHASE OF REAL PROPERTY WITH THE OKLAHOMA DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES REAL PROPERTY TRUST, TOTALING \$3,306,811.48; APPROPRIATION OF NORMAN FORWARD FUND BALANCE; AND TRANSFER OF NORMAN FORWARD AND CAPITAL PROJECT FUND ALLOCATIONS AS OUTLINED IN THE STAFF REPORT.

BACKGROUND:

On October 13, 2015, the citizens of Norman approved a levy and collection of a one-half percent sales tax increase, effective January 1, 2016 through December 31, 2030 (Norman Forward Sales Tax), a portion of which is dedicated to the acquisition of the land underlying Griffin Park, Sutton Wilderness, and Frances Cate Park from Oklahoma Department of Mental Health and Substance Abuse Services (“ODMHSAS” or “Department”).

Since 1983, the City has leased the property underlying Griffin Park from ODMHSAS. The original Norman Forward Implementation Plan (May 2016) allocated \$10,000,000 for the acquisition of the Sutton Wilderness and Griffin Park land. After the adoption of Norman Forward, the City discussed purchase of the property with the Department but was unable to reach any agreement for an acquisition. On November 27, 2018 (Contract K-1718-136), the City was able to negotiate a lease (the “Current Lease”) with the Department that allowed the City to begin making Norman Forward-funded, permanent capital improvements on the park land with anticipation of a later acquisition by the City.

The Current Lease with the Department provides for an initial lease term of 15 years, with an option to renew for an additional 15 years. Either party can terminate the lease with 6 months’ notice, but the City retains a right of first refusal which gives the City the first right to purchase Griffin Park land if the State receives an offer. Furthermore, the Department cannot sell Griffin Park during the initial lease term, unless all of its land in Norman is being sold as part of a single sale. If the State were to sell the property to another buyer, the lease terms would apply to any successor owner (i.e. 6 months’ notice for termination would be required). The lease (rental) rate is \$80,000 per year, and per the terms of the lease agreement, payments made by the City

would apply toward the future purchase of the property by the City. Based on the Current Lease terms of 30 annual payments at \$80,000 per payment, the allocation of Norman Forward funds for the acquisition of the Griffin Park land was reduced from \$10,000,000 to \$2,400,000, with the remaining \$7,600,000 re-allocated from the Griffin Park land acquisition to the Senior Wellness Center construction project within Norman Forward (pursuant to Resolution R-1819-110; approved May 14, 2019).

As of June 30, 2025, the City has made \$500,000.06 in lease payments to the Department from proceeds of the Norman Forward Sales Tax, and approximately \$1,900,000 remains allocated to the Griffin Park land acquisition project over the remaining life of the Norman Forward Sales Tax (through December, 2030).

DISCUSSION:

The attached Interlocal Agreement is for the purchase of land underlying Griffin Soccer Park, which is approximately 160 acres of land. The purchase price for the property is \$3,306,811.48, which is the appraised value of the land according to a December 11, 2024 appraisal obtained by the Department. The City's previous rental payments of \$500,000.06 will be a credit towards the total purchase price, leaving an additional \$2,806,811.42 to be provided by the City to the Department at closing. The ODMHSAS will convey the property to the City via a Quit Claim Deed.

The total purchase price (\$3,306,811.48) is proposed to be paid from the Norman Forward Fund, Griffin Soccer Park, Land (Account 51794442-46001; Project NFP103). \$500,000.06 has previously paid toward the purchase from this account. Funding for the remaining \$2,806,811.42 for the acquisition is proposed to be made available from the following sources:

- \$1,900,000 to be appropriated from the remaining Norman Forward Griffin Park Land Acquisition Project Allocation (Account 51-29001);
- \$220,000 to be transferred from the Norman Forward Fund, Griffin Soccer Park, Construction (Account 51796639-46101);
- \$138,819 to be transferred from the Capital Fund, Strategic Housing Plan, Design (Account 50499950-46201; Project BG0253);
- \$108,718 to be transferred from the Capital Fund, Rural Roads, Materials (Account 50596696-46301; Project SC0696);
- \$100,000 to be transferred from the Capital Fund, General Buildings & Grounds, Design (Account 50193365-46201; Project BG0082);
- \$76,424.85 to be transferred from the Capital Fund, Street Widening, Land (Account 50595552-46001; Project TR0104; \$14,277.14) and Utility Relocation (Account 50595552-46701; Project TR0104; \$62,147.71);
- \$75,000 to be transferred from the Capital Fund, Traffic Signals, Construction (Account 50590076-46101; Project TR0101; \$50,000) and Design (Account 50590076-46101; Project TR0101; \$25,000);
- \$71,252 to be transferred from the Capital Fund, Traffic Signals, Construction (Account 50590076-46101; Project TR0061; \$51,252) and Design (Account 50590076-46101; Project TR0061; \$20,000);

- \$66,000 to be transferred from the Capital Fund, Information Technology Projects, Construction (Account 50195556-46101; Project BG0063);
- \$50,597.57 to be transferred from the Capital Fund, Concrete Valley Gutter, Construction (Account 50590051-46101; Project SC0654)

On Friday, July 11th, City Staff provided a project update to the Norman Forward Sales Tax Citizen Financial Oversight Board, which included an explanation of the above-mentioned funding sources for the acquisition. Feedback from the Board members in attendance was positive as to the proposed use of \$2.4 million in Norman Forward funds for the acquisition, which is the total amount of rental payments that would have been paid under the lease agreement. CFOB Members were also receptive to the use of the remaining Norman Forward Griffin Soccer Park construction project allocations for the land acquisition. The Board was concerned with the potential negative impact on the cash flow availability for ongoing and future pay-as-you-go Norman Forward projects, as the land acquisition is now to be made in Norman Forward funds to be made available immediately, rather than over the remaining years of the Norman Forward Sales Tax.

RECOMMENDATION 1:

City Staff recommends approval of Contract K-2526-26 for the purchase of land underlying Griffin Community Park from the Oklahoma Department of Mental Health and Substance Abuse Services Real Property Trust.

RECOMMENDATION 2:

Staff further recommends the appropriation of \$1,900,000 in available Norman Forward Fund balance (account 51-29000) to the Norman Forward Fund, Griffin Soccer Park, Land (Account 51794442-46001; Project NFP103).

RECOMMENDATION 3:

Staff further recommends the re-allocation (transfer) of \$220,000 within the Norman Forward Fund, Griffin Soccer Park, Construction (Account 51796639-46101; Project NFB101) to the Norman Forward Fund, Griffin Soccer Park, Land (Account 51794442-46001; Project NFP103).

RECOMMENDATION 4:

Staff further recommends the re-allocation (transfer) of \$686,811.42 from the Capital Improvement Projects Fund to the Norman Forward Fund, Griffin Community Park Land Acquisition Project (Account 51794442-46001; Project NFP103), as detailed in the Discussion.